

## Message Text

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ACTION TRSE-00

INFO OCT-01 EUR-25 EA-11 ISO-00 EB-11 AID-20 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 RSC-01 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 STR-08 DRC-01 /122 W

----- 126709

R 031133Z MAY 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 9849

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

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E. O. 11652: N/A

TAGS: EFIN, EEC, FR

SUBJECT: EXPORT CREDIT

REF: STATE 121672

1. WE RAISED SUBJECT OF REFTEL WITH NEBOT, ASSISTANT TREASURY DIRECTOR IN FINANCE MINISTRY. HE EXPLAINED THAT WITHIN FRENCH GOVT, OPERATING LEVEL RESPONSIBILITY FOR EXPORT CREDIT MATTERS, INCLUDING INTERNATIONAL DISCUSSIONS RE POSSIBLE MULTILATERAL AGREEMENT IN THIS FIELD, WAS SHARED BETWEEN HIS OFFICE AND FINANCIAL AFFAIRS SECTION OF DIRECTORATE FOR EXTERNAL ECONOMIC RELATIONS (DREE). THUS, FRENCH REACTIONS TO MATTERS RAISED IN REFTEL WOULD HAVE TO BE COORDINATED BETWEEN THE TWO OFFICES.

2. NEBOT ALSO SAID THAT SINCE EC MEMBER COUNTRIES WERE ACTING AS A GROUP IN DISCUSSIONS ON POSSIBLE GENTLE-  
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MEN'S AGREEMENT, FRENCH WOULD WANT TO CONSULT WITH OTHER

EC MEMBER COUNTRIES AND WITH COMMISSION. HE THOUGHT IT WAS LIKELY THAT COORDINATED EUROPEAN VIEWS WOULD BE TRANSMITTED THROUGH INTERMEDIARY OF COMMISSION TO USEC.

3. WE NEVERTHELESS SOUGHT TO DRAW NEBOT OUT RE HIS THINKING ON SUBSTANCE. ENSUING DISCUSSION DEVELOPED FOLLOWING INDICATIONS:

(A) FRENCH CONTINUE TO HOLD TO VIEW THAT GENTLEMEN'S AGREEMENT MUST COVER NOT ONLY INTEREST RATES AND ANCILLARY FINANCIAL CHARGES, BUT ALSO PERMISSIBLE DURATION OF EXPORT CREDITS, PARTICULARLY AS REGARDS USSR AND EASTERN EUROPE. EXCEPT FOR BRIEF REFERENCE TO "TERMS" (PARA 1 REFTEL), HE NOTED THAT AGREEMENT CONTEMPLATED BY U.S. APPEARED TO COVER ONLY INTEREST RATES AND OTHER FINANCIAL CHARGES (PARA 2 REFTEL). HE ASKED IF THIS INTERPRETATION WAS ACCURATE. HE COMMENTED THAT EUROPEANS WERE READY TO RAISE THEIR RATES, ESPECIALLY GIVEN CURRENT VERY HIGH COST OF MONEY, BUT WOULD DO SO ONLY IN FRAMEWORK OF UNDERSTANDING THAT ALSO COVERED DURATION.

(B) NEBOT NOTED THAT ONE OF THE TWO MAJOR COMPONENTS, AS CONTEMPLATED BY U.S., WOULD RELATE TO MINIMUM INTEREST RATE "FOR THE DIRECT GOVERNMENT-FINANCED PORTION OF EXPORT CREDITS." HE RECALLED THAT UNDER FRENCH EXPORT CREDIT SYSTEM, AN "ALL-INCLUSIVE RATE" (TAUX DE SORTIE) WAS SET FOR A TOTAL FINANCING PACKAGE, WHICH WAS A BLEND OF COMMERCIAL BANK FINANCING, BANK OF FRANCE FINANCING, AND IN CASE OF LONG-TERM CREDITS, GOVERNMENT MONEY. HE SAID HE PRESUMED THAT FOR FRANCE, THIS "ALL-INCLUSIVE RATE" WOULD BE THE ONE SUBJECT TO THE AGREEMENT ON A MINIMUM RATE.

4. WE ARE SEEKING APPOINTMENT WITH APPROPRIATE DREE OFFICIAL (NOW ABSENT FROM PARIS) AND WILL REPORT SUBSEQUENTLY ANY PERTINENT REACTIONS.

IRWIN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORT CREDIT GUARANTEES, EXPORT INSURANCE, INTEREST RATES, CREDIT AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Subject:** EXPORT CREDIT  
**TAGS:** EFIN, FR, EEC, (NEBOT)  
**To:** STATE  
**Type:** TE  
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